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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

Ms. Magalie Roman Salas Secretary Federal Communications Commission The Portals 445 12th St. SW Washington, D.C. 20554

> Re: CC Docket No. 96-98 CC Docket No. 98-147

Dear Ms. Salas:

This is to inform you that on February 13, 2001, Keith Milner, Jonathan Banks, and I, representing BellSouth, met with staff from the Common Carrier Bureau to discuss issues raised by the Commission's Fifth and Sixth Further Notice of Proposed Rulemaking in CC Docket No. 96-98. Staff members attending the meeting included: Kathy Farroba, Johanna Mikes, Jessica Rosenworcel, Elizabeth Yockus, and Aaron Goldberger of the Bureau's Policy and Program Planning Division and Staci Pies, Dennis Johnson, David Ward, and Rodney McDonald of the Bureau's Network Services Division.

During the meeting we discussed the extent to which BellSouth had deployed and anticipated deploying DLC in its network and the conditions under which it would consider extending the deployment of fiber to the curb. We also discussed BellSouth's view of the scope of its obligation to provide unbundled network elements to competitive carriers seeking to offer advanced services and the means by which it was already and anticipated meeting these obligations. We emphasized our belief that a full impairment analysis must precede any extension of BellSouth's existing obligations to provide unbundled network elements to such carriers. We distributed the attached document during the meeting and its first six pages formed the basis for our presentation.

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We are filing notice of this <u>ex parte</u> meeting in the dockets identified above, as required by Commission rule and request that you associate this notice with the record of each of those proceedings. If you have any questions concerning this, please call me at 202.463.4113

Sincerely,

Mathier C Zentz Kathleen B. Levitz

Attachment

cc: Johanna Mikes (w/o attachment)

Kathy Farroba (w/o attachment)

Aaron Goldberger (w/o attachment)

Dennis Johnson (w/o attachment)

Rodney McDonald (w/o attachment)

Jessica Rosenworcel (w/o attachment)

Staci Pies (w/o attachment)
David Ward (w/o attachment)

Elizabeth Yockus (w/o attachment)

BellSouth Ex Parte

CC Docket No. 96-98 CC Docket No. 98-147

- Commission **should not** consider how to unbundle ILEC advanced services facilities in isolation without resolution of policy questions in the NOI concerning high-speed access to the Internet over cable and other facilities
- Section 251(d)(2) specifically requires the Commission to weigh the effects of unbundling on investment and innovation
- Evaluating impairment as it relates to specific services the carrier seeks to offer is an essential step in the analysis under Section 251(d)(2)
- Market forces will continue to guarantee open access and the same regulatory framework should apply to all providers of high-speed services
- Commission must develop a record relevant to the ability of carriers to offer advanced services without unbundled access to ILEC facilities

- Costs of installing fiber loops all the way to consumers in order to deliver advanced services will be immense
- UNE Regulation of new last mile fiber is likely to remove incentives for deployment of fiber to provide consumers advanced services
- ILECs do not have ubiquitous last mile facilities to deliver advanced services
- Subjecting this risky investment to UNE regulation is likely to destroy the financial justification for deployment

Impairment

- CLECs have not made a showing that they are impaired from providing advanced services without access to unbundled network elements for packet switching
- Commission's analysis must take into account the fact that CLECs and other firms can choose to invest in deploying similar new facilities and technologies
- UNE Remand Order provides for unbundling of dark fiber loops and sub-loops, among other things. ILECs also provide access to poles, ducts, conduits and rights-of-way.
- One goal of the Act was for CLECs to create alternative networks to deploy advanced services and not just allow use or rearrangement of ILECs' networks for the CLEC's own purposes

February 13, 2001 4

- BellSouth agrees with the Commission that its stance should be technology neutral
- Commission's role should be limited or non-existent regarding the particular technology that ILECs choose
- BellSouth has major concern with 'wavelength unbundling' or any mandated schemes that would direct the use of specific wavelengths on its fiber systems
 - BellSouth delivers voice and data using a single wavelength
 - Employing different wavelengths for each customer served, the equivalent of making each wavelength the equivalent of a loop, is not practical
 - Requiring wavelength unbundling would defeat the use of single fiber architecture for delivering integrated narrowband, broadband and cable services. This will eliminate a potent competitor to traditional cable operators who would then only compete with direct broadcast satellite services

February 13, 2001 5

BellSouth 5th Further Notice in CC Docket No. 96-98 (continued)

- •BellSouth does not use Dense Wave Division Multiplexing (DWDM) in the loop and has no current plans to do so
- •Integrated Fiber In The Loop (IFITL) technology used for delivering both narrowband and broadband services (including cable services) over a <u>single</u> fiber architecture is incompatible with DWDM in the 1550 nanometer spectral window
- •DWDM in the IFITL environment in the 1550 nanometer window is possible only if the DWDM is transported via additional, separate fibers which creates a significant cost disadvantage
- •BellSouth, in limited arrangements, uses coarse Wave Division Multiplexing (WDM) that uses only two wavelengths

Unbundling

- Commission has identified several competing technologies suitable for providing high-speed and advanced service:
 - Cable Modems
 - DSL
 - Terrestrial wireless
 - Satellite
- Use of fiber loops all the way to the customer to deliver advanced services is still too new to figure in the Commission's list of competing technologies

Displaced/Retired Copper

- BellSouth deploys fiber optic facilities and Next Generation DLC as the first choice for new loop feeder facilities and to replace copper facilities that have deteriorated or have been displaced (by public projects such as right-of-way improvements)
- Displaced copper cable is removed or left in place dependent upon the circumstances of displacement.
- Unlike dark fiber, displaced copper is not "dormant but ready for service"
- Retiring or removing copper and replacing it with other facilities treats all carriers equally and cannot run afoul of 251(d)(2)
- Imposing a requirement that BellSouth obtain federal approval for changing out copper for fiber is inconsistent with deregulatory intent of the Act

Dual Purpose DLC Line Cards

- BellSouth should not be obligated to accommodate a CLEC's request for dual purpose Digital Loop Carrier (DLC) line cards that perform both traditional DLC functions for voice and packet switching functions for data (i.e., DSLAM functions)
 - To do so would obligate BellSouth to provide unbundled packet switching to the requesting CLEC
- The dual purpose DLC line card that CLECs want to use is one that provides both functions of the traditional DLC line card in addition to DSLAM functions
 - This requires the DLC be equipped with two different bit streams forward to the central office
 - One bit stream for voice traffic (Time Division Multiplexing Mode)
 - One bit stream for data traffic (Asynchronous Transfer Mode)

February 13, 2001 9

- BellSouth opposes allowing the CLEC to provide its own DLC line sharing card plugged into BellSouth's DLC Equipment
 - Would be neither collocation nor interconnection arrangement
 - Would constitute joint operation (between BellSouth and various CLECs)
 - Would create network reliability problems and security problems;
 CLEC could be placing and removing DLC cards within
 BellSouth's DLC equipment perhaps without BellSouth's
 knowledge
 - Keeping accurate inventory records of which card slots were in use or spare would be difficult to impossible

- Dual Purpose DLC line cards are not "Plug and Play" technology as some CLECs have asserted
- "Plug and Play" terminology trivializes the amount and complexity of the work required for proper installation and the use of dual purpose line cards
 - Only 'so-called' next generation DLC systems can use such dual purpose line cards
 - New or additional transport facilities would have to be extended to the DLC RT site because digitized data is routed forward via a separate transport facility than that used for voice traffic
 - Existing line cards, which often serve more than one end user, must be removed from service, causing service disruption
 - Dual purpose line cards must be optioned appropriately; software changes must be performed for routing of voice and data; appropriately mappings in the packet switch must be established to sort each carrier's packets.
- If BellSouth deploys NGDLC and chooses dual purpose line cards to provide its own DSLAM functionality, BellSouth has an obligation to accommodate CLEC's demand for collocation of the CLEC's DSLAM at that remote site
- CLECs that demand the use of their dual purpose DLC line cards within BellSouth's equipment are demanding BellSouth be obligated to unbundle packet switching

- BellSouth's policy regarding collocation in Remote Terminals:
 - If sufficient space exists within the DLC RT, will allow CLEC to collocate, including DSLAM
 - If sufficient space does not exist within the DLC RT and BellSouth has not installed its own equipment or DSLAM at that RT, BellSouth will file collocation waiver request regarding space exhaust
 - If sufficient space does not exist within the DLC RT and BellSouth has installed its own equipment or DSLAM at that RT, BellSouth will take whatever action necessary to augment the space at that DLC RT such that the CLEC can install its own equipment, including DSLAM
 - If BellSouth cannot accommodate the CLEC's installation of its own DSLAM, then BellSouth will provide unbundled packet switching at that remote site
- BellSouth believes that adjacent collocation would solve many of the concerns raised by physical collocation at remote premises
 - CLECs place their own cabinets for their own equipment
 - CLECs may acquire unbundled dark fiber or sub-loop elements which BellSouth will deliver to the adjacent collocation arrangement